

AMENDMENTS TO LB 35

(Amendments to Standing Committee amendments, AM836)

Introduced by Pankonin, 2.

1           1. Insert the following new section:

2           Sec. 6. Section 24-703, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           24-703 (1) Each original member shall contribute monthly  
5 four percent of his or her monthly compensation to the fund  
6 until the maximum benefit as limited in subsection (1) of section  
7 24-710 has been earned. It shall be the duty of the Director  
8 of Administrative Services in accordance with subsection (10) of  
9 this section to make a deduction of four percent on the monthly  
10 payroll of each original member who is a judge of the Supreme  
11 Court, a judge of the Court of Appeals, a judge of the district  
12 court, a judge of a separate juvenile court, a judge of the county  
13 court, a clerk magistrate of the county court who was an associate  
14 county judge and a member of the fund at the time of his or her  
15 appointment as a clerk magistrate, or a judge of the Nebraska  
16 Workers' Compensation Court showing the amount to be deducted and  
17 its credit to the fund. The Director of Administrative Services  
18 and the State Treasurer shall credit the four percent as shown  
19 on the payroll and the amounts received from the various counties  
20 to the fund and remit the same to the director in charge of the  
21 judges retirement system who shall keep an accurate record of the  
22 contributions of each judge.

1           (2) (a) Beginning on July 1, 2004, each future member  
2 who has not elected to make contributions and receive benefits as  
3 provided in section 24-703.03 shall contribute monthly six percent  
4 of his or her monthly compensation to the fund until the maximum  
5 benefit as limited in subsection (2) of section 24-710 has been  
6 earned. After the maximum benefit as limited in subsection (2) of  
7 section 24-710 has been earned, such future member shall make no  
8 further contributions to the fund, except that any time the maximum  
9 benefit is changed, a future member who has previously earned the  
10 maximum benefit as it existed prior to the change shall contribute  
11 monthly six percent of his or her monthly compensation to the fund  
12 until the maximum benefit as changed and as limited in subsection  
13 (2) of section 24-710 has been earned.

14           (b) Beginning on July 1, 2004, a judge who first serves  
15 as a judge on or after such date or a future member who elects  
16 to make contributions and receive benefits as provided in section  
17 24-703.03 shall contribute monthly eight percent of his or her  
18 monthly compensation to the fund until the maximum benefit as  
19 limited by subsection (2) of section 24-710 has been earned. After  
20 the maximum benefit as limited in subsection (2) of section 24-710  
21 has been earned, such judge or future member shall contribute  
22 monthly four percent of his or her monthly compensation to the fund  
23 for the remainder of his or her active service.

24           (c) It shall be the duty of the Director of  
25 Administrative Services to make a deduction on the monthly payroll  
26 of each such future member who is a judge of the Supreme Court,  
27 a judge of the Court of Appeals, a judge of the district court,

1 a judge of a separate juvenile court, a judge of the county  
2 court, a clerk magistrate of the county court who was an associate  
3 county judge and a member of the fund at the time of his or her  
4 appointment as a clerk magistrate, or a judge of the Nebraska  
5 Workers' Compensation Court showing the amount to be deducted and  
6 its credit to the fund. This shall be done each month. The Director  
7 of Administrative Services and the State Treasurer shall credit the  
8 amount as shown on the payroll and the amounts received from the  
9 various counties to the fund and remit the same to the director in  
10 charge of the judges retirement system who shall keep an accurate  
11 record of the contributions of each judge.

12 (3) A Nebraska Retirement Fund for Judges fee of five  
13 dollars shall be taxed as costs in each (a) civil cause of action,  
14 criminal cause of action, traffic misdemeanor or infraction, and  
15 city or village ordinance violation filed in the district courts,  
16 the county courts, and the separate juvenile courts, (b) filing in  
17 the district court of an order, award, or judgment of the Nebraska  
18 Workers' Compensation Court or any judge thereof pursuant to  
19 section 48-188, (c) appeal or other proceeding filed in the Court  
20 of Appeals, and (d) original action, appeal, or other proceeding  
21 filed in the Supreme Court. Beginning on July 1, 2009, and until  
22 July 1, 2014, such fee shall be six dollars. In county courts a sum  
23 shall be charged which is equal to ten percent of each fee provided  
24 by sections 33-125, 33-126.02, 33-126.03, and 33-126.06, rounded to  
25 the nearest even dollar. No judges retirement fee shall be charged  
26 for filing a report pursuant to sections 33-126.02 and 33-126.06.  
27 When collected by the clerk of the district or county court, such

1 fees shall be paid and information submitted to the director in  
2 charge of the judges retirement system on forms prescribed by the  
3 board by the clerk within ten days after the close of each calendar  
4 quarter. The board may charge a late administrative processing fee  
5 not to exceed twenty-five dollars if the information is not timely  
6 received or the money is delinquent. In addition, the board may  
7 charge a late fee of thirty-eight thousandths of one percent of the  
8 amount required to be submitted pursuant to this section for each  
9 day such amount has not been received. Such director shall promptly  
10 thereafter remit the same to the State Treasurer for credit to  
11 the fund. No Nebraska Retirement Fund for Judges fee which is  
12 uncollectible for any reason shall be waived by a county judge as  
13 provided in section 29-2709.

14 (4) All expenditures from the fund shall be authorized by  
15 voucher in the manner prescribed in section 24-713. The fund shall  
16 be used for the payment of all annuities and other benefits and for  
17 the expenses of administration.

18 (5) The fund shall consist of the total fund as of  
19 December 25, 1969, the contributions of members as provided in this  
20 section, all supplementary court fees as provided in subsection (3)  
21 of this section, and any required contributions of the state.

22 (6) Not later than January 1 of each year, the State  
23 Treasurer shall transfer to the fund the amount certified by the  
24 board as being necessary to pay the cost of any benefits accrued  
25 during the fiscal year ending the previous June 30 in excess  
26 of member contributions for that fiscal year and court fees as  
27 provided in subsection (3) of this section and fees pursuant to

1 sections 25-2804, 33-103, 33-103.01, 33-106, 33-106.02, 33-123,  
2 33-125, 33-126.02, 33-126.03, and 33-126.06 and directed to be  
3 remitted to the fund, if any, for that fiscal year plus any  
4 required contributions of the state as provided in subsection (9)  
5 of this section.

6 (7) Benefits under the retirement system to members or to  
7 their beneficiaries shall be paid from the fund.

8 (8) Any member who is making contributions to the fund on  
9 December 25, 1969, may, on or before June 30, 1970, elect to become  
10 a future member by delivering written notice of such election to  
11 the board.

12 (9) Not later than January 1 of each year, the State  
13 Treasurer shall transfer to the fund an amount, determined on  
14 the basis of an actuarial valuation as of the previous June 30  
15 and certified by the board, to fully fund the unfunded accrued  
16 liabilities of the retirement system as of June 30, 1988, by level  
17 payments up to January 1, 2000. Such valuation shall be on the  
18 basis of actuarial assumptions recommended by the actuary, approved  
19 by the board, and kept on file with the board. For the fiscal  
20 year beginning July 1, 2002, and each fiscal year thereafter,  
21 the actuary for the board shall perform an actuarial valuation  
22 of the system using the entry age actuarial cost method. Under  
23 this method, the actuarially required funding rate is equal to the  
24 normal cost rate, plus the contribution rate necessary to amortize  
25 the unfunded actuarial accrued liability on a level payment basis.  
26 The normal cost under this method shall be determined for each  
27 individual member on a level percentage of salary basis. The normal

1 cost amount is then summed for all members. The initial unfunded  
2 actual accrued liability as of July 1, 2002, if any, shall be  
3 amortized over a twenty-five-year period. Prior to July 1, 2006,  
4 changes in the funded actuarial accrued liability due to changes  
5 in benefits, actuarial assumptions, the asset valuation method, or  
6 actuarial gains or losses shall be measured and amortized over a  
7 twenty-five-year period beginning on the valuation date of such  
8 change. Beginning July 1, 2006, any existing unfunded liabilities  
9 shall be reinitialized and amortized over a thirty-year period,  
10 and during each subsequent actuarial valuation, changes in the  
11 funded actuarial accrued liability due to changes in benefits,  
12 actuarial assumptions, the asset valuation method, or actuarial  
13 gains or losses shall be measured and amortized over a thirty-year  
14 period beginning on the valuation date of such change. If the  
15 unfunded actuarial accrued liability under the entry age actuarial  
16 cost method is zero or less than zero on an actuarial valuation  
17 date, then all prior unfunded actuarial accrued liabilities shall  
18 be considered fully funded and the unfunded actuarial accrued  
19 liability shall be reinitialized and amortized over a thirty-year  
20 period as of the actuarial valuation date. If the actuarially  
21 required contribution rate exceeds the rate of all contributions  
22 required pursuant to the Judges Retirement Act, there shall be a  
23 supplemental appropriation sufficient to pay for the differences  
24 between the actuarially required contribution rate and the rate of  
25 all contributions required pursuant to the Judges Retirement Act.

26 (10) The state or county shall pick up the member  
27 contributions required by this section for all compensation paid

1 on or after January 1, 1985, and the contributions so picked up  
2 shall be treated as employer contributions in determining federal  
3 tax treatment under the Internal Revenue Code as defined in section  
4 49-801.01, except that the state or county shall continue to  
5 withhold federal income taxes based upon these contributions until  
6 the Internal Revenue Service or the federal courts rule that,  
7 pursuant to section 414(h) of the code, these contributions shall  
8 not be included as gross income of the member until such time as  
9 they are distributed or made available. The state or county shall  
10 pay these member contributions from the same source of funds which  
11 is used in paying earnings to the member. The state or county  
12 shall pick up these contributions by a compensation deduction  
13 through a reduction in the compensation of the member. Member  
14 contributions picked up shall be treated for all purposes of the  
15 Judges Retirement Act in the same manner and to the extent as  
16 member contributions made prior to the date picked up.

17           2. On page 32, line 15, strike "4 and 29" and insert "4,  
18 6, and 30"; in line 16 strike "28, 30, and 33" and insert "29,  
19 31, and 34"; in line 17 strike "13, 14, and 31" and insert "14,  
20 15, and 32"; in line 21 strike "section" and insert "sections" and  
21 after "24-301.02" insert "and 24-703"; and in line 22 strike "is"  
22 and insert "are".

23           3. Renumber the remaining sections and correct internal  
24 references accordingly.